

THE HONORABLE RICHARD A. JONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SRIRAM KRISHNAN,

Plaintiff,

v.

CAMBIA HEALTH SOLUTIONS, INC. and
REGENCE BCBS OF OREGON,

Defendants.

No. 2:20-cv-574-RAJ

ORDER

I. INTRODUCTION

This matter comes before the Court on Defendants' Motion to Amend Answer to Complaint. Dkt. # 19. Plaintiff opposes this motion. Dkt. # 21. For the reasons below, the Court **GRANTS** the motion.

II. DISCUSSION

A party may amend its pleading only with the written consent of the opposing party or with the court's leave. Fed. R. Civ. P. 15(a)(2). A court should "freely give leave when justice so requires." *Id.* In determining whether leave to amend is appropriate, the court considers four factors: "bad faith, undue delay, prejudice to the opposing party, and/or futility." *Owens v. Kaiser Found. Health Plan, Inc.*, 244 F.3d

1 708, 712 (9th Cir. 2001) (internal citation and quotations omitted).

2 Here, Defendants Cambia Health Solutions, Inc. and Regence BCBS of Oregon
3 (“Defendants”) move the Court for leave to amend their answer by adding a defense
4 based on information gained through discovery. Dkt. # 19 at 1. Specifically, Defendants
5 allege that Plaintiff Sriram Krishna’s (“Plaintiff”) responses to Defendants’
6 interrogatories and requests for production included documents containing Defendant
7 Cambia’s confidential information, such as wage, budget, and product, and information.
8 *Id.* Defendants claim that Plaintiff’s removal of such documents from Cambia after his
9 termination from Cambia violated Cambia’s confidentiality policies and is grounds for
10 termination. *Id.* Based on this newly discovered information, Defendants seek to add a
11 defense to its answer pursuant to the after-acquired evidence doctrine. *Id.* at 3.

12 Plaintiff argues that Defendants’ proposed amendment would be futile because
13 “after-acquired evidence is not a defense to wrongful termination in violation of public
14 policy,” which is at issue here. Dkt. # 21 at 1. Plaintiff alleges that he was fired for
15 raising complaints about financial improprieties related to Cambia’s investments and
16 contends that the after-acquired evidence defense is unavailable to Defendants under
17 these circumstances. *Id.* at 3. Plaintiff is correct that after-acquired evidence is not a
18 defense to a wrongful termination on public policy grounds. *See Martin v. Gonzaga*
19 *Univ.*, 425 P.3d 837, 846 (Wash. 2018) (noting “that there is no [Washington] case law to
20 support applying the after-acquired-evidence doctrine to a wrongful discharge claim”).

21 However, Defendants do not seek to assert after-acquired evidence as a complete
22 defense. Instead, as they explain in their motion, Dkt. # 19 at 8, and reply, Dkt. # 22 at 4,
23 they seek to introduce this evidence as a limit to the damages Plaintiff might recover, in
24 reliance on *Martin v. Gonzaga Univ.*, 425 P.3d at 846 (nothing that “[the after-acquired]
25 doctrine limits the damages an employee may recover and does not limit liability as a
26 matter of law”).

27 The Court does not find that such an amendment would be futile at this stage in

1 the proceeding. In the absence of bad faith, prejudice, or undue delay, the Court finds no
2 reason to deny Defendants leave to amend their answer. 244 F.3d at 712.

3
4 **III. CONCLUSION**

5 For the reasons stated above, Defendants' Motion for Leave to Amend the Answer
6 to the Complaint is **GRANTED**. Dkt. # 19.

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8 DATED this 21st day of April, 2021.

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11 The Honorable Richard A. Jones
12 United States District Judge
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